

LNF & IHCIF Calculations Illustration

- FT.DEFIANCE in Navajo area -

Given Data

- 31,018 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 42% = % Expenditures on purchased services, 58% = % expenditures in-house
- 92.5% = Cost index for purchasing health care in this geographic area
- 86.4% = Size cost index for in-house costs due to small or large size
- 101.9% = Navajo area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,161 per person for purchased services = $42\% \times 92.5\% \times \$2,980$
- \$1,490 per person for in-house services = $58\% \times 86.4\% \times \$2,980$
- \$2,651 per person total = \$1,161 (purchase) + \$1,490 (in-house)
- **\$2,702 per person total** adjusted for health status = $\$2,651 \times 101.9\%$
- **\$1,957 per person net cost** = $\$2,702 - \745 Other resources (M&M&PI)

Existing Expenditures (for 31,018 users excluding wrap-around and collections)

- \$577 per person = local IHS allowance (excludes \$ for wrap-around)
- \$273 per person = expenditures elsewhere in Navajo area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$903 per person for OU users** = $\$577 + \$273 + \$54$

LNF Calculation

- **33.4% Gross LNF** = $\$903$ (expenditures) / $\$2,702$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **46.2% Net LNF** = $\$903 / \$1,957$ net cost ($\$2,702 - \745 other)

IHCIF Allocation

- \$8,401,323 = \$ to raise LNF% from 46.2% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$293,038 Allocation** = $\$8,401,323$ needed for 60% * 3.488% IHCIF fraction

FT.DEFIANCE Unmet Needs

- **\$60,703,448 Net Total Need** = 31,018 users * \$1,957 net cost
- **\$32,682,702 Net Unmet Need** = $(100\% - 46.2\% \text{ LNF}) \times 31,018 \text{ users} \times \$1,957 \text{ net cost}$